Before the

FEDERAL COMMUNICATIONS COMMISSION

Washington, DC 20554

In the Matter of)	
)	
Implementation of the Pay Telephone)	
Reclassification and Compensation)	CC Docket 96-128
Provisions of the Telecommunications)	
Act of 1996)	
)	

DECLARATION OF DONALD J. SCHNEIDER

- I, Donald J. Schneider, declare and say:
- 1. I am the President of Schneider National, Inc. and its wholly-owned subsidiaries (collectively "Schneider"), whose address is 3101 S. Packerland Drive, Green Bay, Wisconsin 54304.
- 2. In my capacity as President, I have oversight responsibility for managing the communications for movement of Schneider's vehicles in the conduct of its transportation business. I am therefore familiar with the types and level of telephone communications between Schneider and its customers, consignees, and drivers in the conduct of its business. I am acting within the scope of my corporate authority in making this declaration.
- 3. Schneider National, Inc. is the parent corporation to several truckload carrier subsidiaries providing transportation services in the Continental 48 states, Canada and Mexico. Schneider provides an on-call service to its customers, who call Schneider's dispatch office requesting vehicles which may be used for shipments to any point in the Continental 48 states, Canada and Mexico.
- 4. To conduct its intrastate and interstate transportation operations, Schneider has a fleet of over 12,000 tractors and 35,000 trailers. To operate that equipment, Schneider employs over 10,000 drivers and over 2,000 owner-operators. Schneider averages 8000 loads per day. Each driver hauls on average 16-20 loads per month. Schneider drivers travel 3 billion miles per year.
- 5. Each of Schneider's 10,000 drivers and 2,000 owner-operators must communicate with Schneider via its "800" telephone line. The reasons for those calls are many. Each driver must call Schneider regarding load dispatch information. Because of the need to coordinate drivers with available loads, immediate dispatch is not often available, often necessitating multiple calls before a load can be assigned. Once a load is assigned, the driver then usually

communicates with Schneider other times regarding customer demands, delivery, schedules, loading/unloading issues, and the like.

- 6. Schneider's drivers also call for a variety of other reasons. These calls include Schneider's compliance with state and federal Department of Transportation ("DOT") hours of service and permitting regulations, which facilitate safe and legal operations throughout the United States. Other calls relate to accidents, vehicle maintenance and breakdowns. Many calls relate to administrative issues such as paperwork questions or problems, payroll, expenses, and the like.
- 7. In total, Schneider estimates that its drivers make about 176,000 "800" line calls to Schneider per month from payphones. Therefore, if Schneider is charged 28.4 cents for every 800 payphone call placed, Schneider will incur an <u>increase</u> in monthly cost of over \$50,000, or \$600,000 per year.
- 8. Schneider drivers have little choice but to use payphones. Few locations can accommodate Schneider's 80,000 pound equipment, mostly truckstops and public rest areas. The cost of operating a large vehicle (especially fuel costs) makes it economically impossible for Schneider drivers to search for alternative payphone locations. Additionally, federal restrictions on driving time and vehicle access, not to mention simple business efficiency, makes it impossible for Schneider drivers to seek payphone alternatives.
- 9. At truckstops and rest areas, public payphones are in constant demand. Although each driver's use of the phone is relatively brief, there are usually lines waiting to use the phones. Conversations with drivers indicate that payphones at truckstops are used constantly.
- 10. Moreover, there is almost never a choice as to competing payphones. Based on the experience of Schneider drivers, each truckstop location provides exclusive access to a single payphone provider and the drivers have no choice but to deal with that provider. For this reason, Schneider could not request that certain payphone providers be blocked from Schneider's line. The cost (even if it was possible) to Schneider drivers of attempting to call from another location would be prohibitive.
- 11. Schneider believes that an increase in payphone charges is unfair. The payphone providers that Schneider must deal with will receive an enormous windfall at the expense of Schneider and the public.

I affirm under the penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated this 26 of November, 1997.

Donald I. Schneider

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C.

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Reclassification and Compensation)	
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DECLARATION OF MONTE A. STERN

- 1. I am the President of Virtual Voice, the address of which is 21820 Burbank Boulevard, Suite 100, South Lobby, Woodland Hills, CA 91367.
- 2. Virtual Voice is a Nationwide Voice Messaging Service Bureau with customers in every state. Virtual Voice employs 35 individuals, and has been providing service since 1986.
- 3. In my capacity as President, I am responsible for managing the sales, operational and financial affairs of the company. I am acting within the scope of my authority in making the statements contained in this declaration.
- 4. As a provider of voice messaging service, Virtual Voice provides its customers with access to assigned voice mailboxes which are accessed through 800 or 888 numbers. The average call duration to these voice mailboxes is three minutes.
- 5. For every 800 or 888 call made by a Virtual Voice customer to his or her mailbox, AT&T, the company's underlying 800-number carrier, charges Virtual Voice a per-minute usage fee, which the company then passes on to its customers.
- 6. In its effort to deregulate the payphone market, the Federal Communications Commission ("FCC") has permitted payphone providers to assess a \$0.284 per-call surcharge on all subscriber 800 calls that originate from payphones. AT&T has already begun to pass on \$0.28 of the \$0.284 surcharge to Virtual Voice and its other 800-number customers.
- 7. Based on a survey of 150 customers conducted in September of 1997, over 12% of all calls to the company's voice messaging system originate from payphones. If the per-call surcharge of \$0.284 remains in effect, Virtual Voice's cost in providing voice messaging service will increase 58% for a three minute call. Past experience suggests that the implementation of a payphone surcharge will also lead to a decrease in the number of payphone calls made to the network. This, in turn, will likely lead to a significant reduction in revenue for Virtual Voice.

Declaration of Monte A. Stern Page 2

- 8. The creation of the per-call surcharge has created a myriad of logistical and financial difficulties for Virtual Voice. Prior to the creation of the per-call surcharge, Virtual Voice was able to provide two toll-free 800 numbers to customers for access to its network. Because of billing problems stemming from the imposition of this new surcharge, Virtual Voice has been forced to block, where possible, all calls to these numbers that originate from payphones.
- 9. To identify which calls originate from a payphone, Virtual Voice has found it necessary to establish two additional 800 numbers to be used exclusively from payphones. An automatic \$0.28 surcharge is assessed on all calls made to these numbers.
- 10. Virtual Voice has had to incur significant expenses in setting up its new, payphone-only 800 numbers, reconfiguring its software, and informing customers of its new call-in procedures. The blocking of old, and creation of new, 800 numbers has also resulted in customer confusion, which, when combined with these added expenses, will likely lead to a loss of current and future customers in the next fiscal year. In addition, the FCC's recent decision to postpone the implementation deadline for payphone-specific coding digits makes it entirely questionable whether Virtual Voice's new blocking plan will succeed at all.
- 11. For the foregoing reasons, the FCC's imposition of a \$0.284 per-call surcharge is harmful to small businesses such as Virtual Voice, and should be reconsidered.

I affirm under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Monte A. Stern

President

Virtual Voice

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Telephone: 703/329-1894 • FAX: 703/329-1898

Before The FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

CC Docket 96-128
Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996

DECLARATION OF ROBERT A. VOLTMANN

- 1. I am the Executive Director & CEO of the Transportation Intermediaries Association ("TIA") located at 3601 Eisenhower Avenue, Suite 110, Alexandria, VA 22304-6425.
- 2. TIA represents over 700 member companies providing a wide variety of transportation related services as property brokers, domestic freight forwarders, consolidators, ocean and air forwarders, intermodal marketing companies, perishable commodity brokers, and logistics management companies. I am familiar with the types and levels of communications that TIA members have over their 800 subscriber lines. I am acting within the scope of my corporate authority in making this declaration and have knowledge of the matters of fact stated and alleged in it.
- 3. TIA members service both shipper and carrier customers. In doing so, they rely on their 800 lines to stay in communication with truck drivers via payphones. Blocking payphone calls, therefore, is not an option for transportation intermediaries.
- 4. A survey of TIA's members reveals that their 800 line calls are very short, usually less than 2 minutes, and that they usually are charged 10 cents or less per minute for the calls by the

800-line provider. Adding a 28.4 cent charge would mean a 140% increase in cost for such calls made from payphones (20 cents to 48.4 cents per call).

- 5. The survey also showed that about 27% of TIA members' 800-line calls are from payphones and that those members receive, on average, over 48,000 800-line payphone calls per year. The additional 28.4-cent charge means an annual cost increase for each member of about \$13,757 which is a 28% increase over their current average phone bill. For TIA's more than 700 members, the total cost increase will be over \$9.6 million.
- 6. TIA members are small businesses with average revenue below \$8 million. Due to their position in the transportation market as middlemen, it will be very difficult for TIA members to pass the 800-line charge on to customers, and absorbing the charge will have detrimental impact.

I affirm under the penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Robert A. Voltmann

Certificate of Service

I, Tanya Butler, hereby certify that on this 1st day of December, 1997, a copy of the forgoing "Petition for Reconsideration" was served on the following by messenger(*):

Tanya Butler

A. Richard Metzger Chief, Common Carrier Bureau Federal Communications Commission 1919 M Street, N.W., Room 500 Washington, D.C. 20554

Kurt A. Schroeder Chief, Enforcement Division Federal Communications Commission Common Carrier Bureau 1919 M Street, N.W., Room 500 Washington, D.C. 20554

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